

Strategic Planning For Dummies

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In its simplest form, strategic planning is the asking and answering the following question, “What do I want to be when I grow up?” Given the difficulty many of us had with that question, it’s no wonder that planning is sometimes such a troublesome task.

The concept for this article sprang to mind as we wandered the halls of a business hotel prior to a client meeting. In a meeting room, groups of people were seated around tables. In front, the leader stood next to an overhead projector. On the screen was the inevitable triangle with “Vision” on the top, followed by “Mission” directly underneath, and so on. The participants around the tables already had that glazed-over stare as they numbly nodded to the cadence of the speaker.

We could picture the flip charts covered with notes pasted around the room, the results of surveys depicted in numerous tables and graphs, and the final report—a weighty tome. Unfortunately, most of the best ideas will never see the light of day. For some reason, the planning process is often conducted as a discrete task that consumes itself. Significant effort is invested in the plan but little is invested in its implementation. Its beginnings are noble enough, but the marathon extracts too much effort. What about the plan, you say? All those carefully chosen words, the great graphics, color enhancements, time lines and all the rest are sitting on a shelf collecting dust. The bottom line is that planning all too often results in a plan—and if that is the only result of your efforts—you’ve wasted your time.

Planning is valuable if and only if it creates a consensus on a definable future and sets forth rational action to get there. The key word is **action**. It’s not the plan that’s important, it’s the process and the actions that result. The process is simply defining who you are, the nature of your market, who you want to be and how you will get there.

When planning fails to deliver its intended results, it is most often for one or a combination of the following reasons:

- *The future is poorly defined.* Far too many law firms define their future as being the “top” or “leading” law firm providing “quality” services... and on it goes. That won’t work because the desired end result of your plan should be *explicitly* defined. An effective exercise in this regard is to write the firm’s biography for five years hence. Describe your firm as you might for a background statement (how big are you in terms of offices, revenues and lawyers, what kind of legal specialties you offer, what kind of clientele or industries you serve, what is notable about the firm). If you ask each partner to undertake this exercise, you will likely find as many futures as there are partners. This leads to the second most common reason for failed planning.
- *The future is defined but not agreed to.* The evolution of a law firm is much like the making of a good stew. The primary ingredients set the basic flavor. Each additional ingredient added to the stew subtly changes its texture and flavor. When the proper herbs and spices are blended, the stew is enhanced far beyond the abilities of the ingredients alone. If the wrong spice is added, it can alter the stew beyond recognition.

When a new law firm is formed, the founders explicitly or implicitly articulate the type of firm they want. These are the basic ingredients. As the firm continues, it adds lawyers, each lawyer altering and therefore contributing to a new firm character. Law firms are unique because they are dominated by well educated, intelligent people who characteristically have strong wills and egos. Blending the individuals' views into a singly-held position is often a daunting task, particularly once a law firm has moved past its founding generation.

The problem is that many law firms push through the plans, forcing them upon individuals who only grudgingly accept them, if at all. The result is disaffected partners who will not support or assist in the implementation of the plan. Often these individuals will continue to pursue their own agenda, distracting the firm from its "agreed upon" course.

? *The future is defined, but defined in terms of the partners' views rather than client views.* Even when a law firm is successful in defining a future, the result is all too often the partners "want-to-be" list rather than a coherent future tied to clients. If lawyers and law firms are to service clients, then determining what kind of law firm the current or desired clients will want and need in five years must be paramount. Besides asking clients in surveys or reverse seminars as to their future needs, how often do we ask for *their* business plans? What better way to understand what the client may need than to understand what the client hopes to achieve, and in what kind of market environment it expects to compete.

? *The planning process is a corporate exercise rather than a practice, office, industry or client group activity.* In the authors' view, planning must be pushed down to groups of individuals who can explore legal, client/industry and market developments.

Implementation is a step-child. How many times do you hear this phrase, "The plan is sitting on my bookshelf"? What good is a plan that supposedly is the guide to the future if it sits on a bookshelf? Let's face it, items on the bookshelf are more subject to dust than to use.

What should a good planning process entail, how should it be memorialized and how do you improve the likelihood that a plan will result in action and successful attainment of the desired future?

The process is to ask and answer questions regarding ourselves, our clients and prospective clients, our market, our economy, legal trends and the like. The memorialization of the process is a planning document that organizes the rationale for the firm's chosen future and sets forth the accountability for getting the job done. Overall, the planning process will answer six questions:

1. Where are we? What is our present market position?
2. Where do we want to go? What should our position be?
3. How do we get there?
4. When should we be there?
5. Who—clients, prospective clients, attorneys and referral sources—will help us get there?
6. How do we measure and evaluate our progress against the plan?

The authors' law firm strategic planning experience has shown that there are two keys to successful planning:

- The evaluation of firm strengths and weaknesses must be candid and objective, requiring input from inside and outside the firm. Understand the "business" you are in. If you say that's easy, its the practice of law—you are wrong. The practice of law is what you do, its not *the business* you are in. *You are in the business of solving client problems.* Therefore, analyze strengths and weaknesses consistent with your business. Utilize the best input available—current, past and prospective

- clients. Add the perspectives of your associates and staff and see how these groups view the partners and the firm.
- In a closely held, owner-operated business such as a law firm, input must be provided by all partners. Consensus developed with the broad participation of firm members is critical to successful planning in a professional firm environment.

Planning Methodology

1. Information-Gathering

Information-gathering begins with the organized understanding of the various forces at work in the marketplace, how the market perceives the firm and how the firm's attorneys, clients and legal community function together. This involves gathering and analysis of the following:

Firm Information. Collect and evaluate information about the firm's lawyers, practice areas, client base, legal capabilities, referral sources and networks, organizational structure, orientation of management, economic performance over the past five years, and competitor information. Remember, your professional intellect, the skills of your people--these are your core competencies. They define what you do best.

Partner Questionnaires and Interviews. Questionnaires organize thinking about the task at hand. They also permit a cogent snapshot of the firm and the collective perceptions held. Interviews are important to allow individuals to expand on important topics and for your independent advisor to understand the human dynamics (culture, political power, personalities) that define the organization. The authors have often conducted the interviews in focus groups to enhance discussions and to observe how individuals interact with one another.

Associate and Staff Questionnaires. Some firms omit this step in the process. The authors consider their input invaluable as they see the world, the clients and the firm from a different and important perspective.

Client Survey. Some type of formal feedback from clients is critical to the planning process; a client survey should be done by independent advisors. You want the clients to be candid in their responses, which is less likely if the firm does a client survey on its own. The survey questionnaire should ask for client input on overall satisfaction with service delivery, quality of work, fees, future need for legal services and the firm's image. Your independent advisor should be able to place client responses into context by comparing your results to how clients responded in surveys of other law firms.

2. Analysis and Processing of Information

All information should be evaluated and summarized according to the following elements:

- ? Firm strengths and weaknesses;
- ? Economic performance;
- ? Firm resource evaluation;
- ? Current services provided;
- ? Client base opportunities and vulnerabilities;
- ? Client perception and service evaluation;
- ? Business source analysis;

? External market (economic and industry) factors evaluation; and

? Competitor analysis.

This process requires several meetings of the planning group. At these meetings the task force will discuss the issues, prioritize them and establish preliminary conclusions.

3. Development of Plan Documentation

Small Group Planning. One of the most successful ways the authors have seen law firms “jump start” the implementation of planning and business development activities is to move the effort to the groups of individuals who are best positioned to set forth a course of action. This puts planning at the level of practice groups, client groups, industry groups, and local offices.

Training sessions for these groups are critical to building the team, establishing skills in reaching decisions, implementing and monitoring actions, and then revising decisions. Often, such training is handled in tutorial fashion, using hands-on work sessions and real life problems.

4. Approval Process

The various group plans must then be consolidated and reconciled against firm resources. Potential conflicts or constraints should be identified for reconciliation in implementation. Presentation and discussion of the overall plan should be accomplished at a partners’ retreat.

5. Post-Retreat Activities and Consultant Involvement

This is critical. Now you must act! Information should be prepared for dissemination to associates and staff. Individual assignments and milestones should be established, along with monitoring and corrective response responsibility.

Strategic planning in a law firm does not have to be a difficult or mysterious process. Nor does it have to result in a plan that is devoid of implementation. We hope that this article provides you with a simpler approach to planning and the understanding that it is the actions and results that follow the planning effort that determine if the time has been well spent.

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